



The President's Daily Brief

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March 22, 1976

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FOR THE PRESIDENT ONLY

UK-ICELAND

The Icelandic proposal conveyed to the UK over the weekend--through the Norwegian Foreign Minister--offers a good chance for settlement of the two nations' fishing dispute.

The proposal would permit an average of 20 British trawlers--but no more than 25 at any time--to fish inside the 200-mile limit and would reduce the fishing area allowed to British vessels. The offer contains no reference to catch limitations. Iceland is prepared to conclude an agreement along these lines for an initial period of three to six months, an indication that Reykjavik might later consider an extension.

The proposal is predicated on the British withdrawing their warships. London has stated its willingness to do this but has insisted that a minimum of 25 trawlers be allowed to continue fishing.

In this move toward ending the dispute, Iceland may have been influenced by concern that domestic anti-NATO sentiment might get out of hand if incidents at sea continue. It may also foresee a possibility that the UN Law of the Sea Conference in New York will recommend specific arbitration methods for phasing out foreign fishing.

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LEBANON

Discussions continued over the weekend in both Damascus and Beirut on how to replace President Franjiah and form a new Lebanese government. Fighting in Beirut threatens to grow more intense.

Leftist Muslim forces yesterday forced Phalangist militiamen from Beirut's gutted Holiday Inn, the last major Phalangist holdout in the hotel district. Phalangists have told US embassy officials they plan to bring heavier weapons into the area. The sea-front area--where the US embassy is located--reportedly came under Phalangist artillery fire this morning.

Fighting also continued in the mountains east of Beirut. It is centered in the Christian village of Al Kahhalah and the Druze village of Alayh.

According to unconfirmed press reports, Syrian forces--disguised as elements of the Palestine Liberation Army and equipped with artillery--arrived Saturday at Marj Uyun village in southern Lebanon. Eighteen of their 50 trucks reportedly continued east toward Sidon on the coast. If the report is true, these would be the first Syrian troops this close to the Israeli-Lebanese border.

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NOTES

The last Soviet naval aircraft in West Africa--two AN-12s--have returned to the USSR.

The Soviets have kept naval aircraft in Guinea continuously since early January, largely to support reconnaissance aircraft and warships in the area.

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The Soviets have three warships--a guided missile cruiser, a destroyer, and a landing ship--and two tankers at Conakry and an intelligence ship in the Gulf of Guinea. At least one of the two attack submarines that have visited Conakry in the past month may still be in the area.

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Thai military combat units in Bangkok remain on full alert in the wake of clashes yesterday between left- and right-wing student groups over the timing for the withdrawal of US forces. The government, however, has decided the situation does not warrant the declaration of a state of emergency.

At a press conference Saturday, Prime Minister Khukrit did not appear to rule out the possibility that a new government due to be formed after the April election will reverse the decision against allowing a residual military presence to stay in Thailand. Student groups have already indicated that they would renew their protests if a new government should modify Khukrit's action.

Broadcasts from Peking and Hanoi have reported the Thai decision without comment.

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